

Chelsea Village Limited**Balance Sheet****As at 14th March 1996**

			14 th March 1996		30 th June 1995
	Notes	£	£	£	£
FIXED ASSETS	2				
Tangible assets	3		6,318,175		6,121,301
Investments			8,920,369		10,689,704
			<u>15,238,544</u>		<u>16,811,005</u>
CURRENT ASSETS					
Debtors:					
Due within one year	4	138,077		49,199	
Due after one year	4	2,142,576		7,976	
		<u>2,280,653</u>		<u>57,175</u>	
Investments	5	135,100		135,100	
Cash at bank and in hand		139,501		3,293	
		<u>2,555,254</u>		<u>195,568</u>	
CREDITORS - amounts falling due within one year	6				
		<u>(1,707,701)</u>		<u>(1,527,712)</u>	
NET CURRENT ASSETS/ (LIABILITIES)			<u>847,553</u>		<u>(1,332,144)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£16,086,097</u>		<u>£15,478,861</u>
CREDITORS - amounts falling due after more than one year					
	7		561,689		37,829
Convertible Liabilities	8		5,000,000		5,000,000
CAPITAL AND RESERVES					
Called up share capital	12		1,026,481		1,026,481
Share premium account	12		2,954,299		2,954,299
Revaluation reserve	12		284,107		7,511,490
Profit and loss account	12		6,259,521		(1,051,238)
Shareholders' funds	12		<u>10,524,408</u>		<u>10,441,032</u>
			<u>£ 16,086,097</u>		<u>£ 15,478,861</u>

These financial statements were approved by the Board of Directors on Tuesday 19th March 1996



K W Bates
Director



Chelsea Village Limited
Notes to the Balance Sheet
As at 14th March 1996

1. Accounting Policies

1.1 Accounting conventions

The financial statements have been prepared in accordance with the historical cost convention, modified to include the revaluation of leasehold property and investments.

The principal accounting policies which the directors have adopted within that convention are set out below.

The accounts are prepared in accordance with applicable accounting standards.

1.2 Investment in subsidiaries

Subsidiary companies are valued in the parent company balance sheet at their net asset value. Where a diminution in value is considered to be permanent, the cost of the investment, including loans, is written off to the profit and loss account.

1.3 Depreciation

Depreciation has been computed to write off the difference between the cost of tangible fixed assets and their anticipated residual values over their expected useful lives using the following rates;

Plant and Equipment	20% - 25% per annum of cost
---------------------	-----------------------------

Depreciation is not provided on freehold land. The board do not consider it appropriate to amortise the value of short and long leasehold properties since the leases are held for future group development of the Stamford Bridge site on which options are held to purchase the freeholds.

The leases are revalued annually, and their residual value is at least equal to their book value. Having regard to this, it is the opinion of the directors that the depreciation of any such property as required by the Companies Act 1985 and accounting standards would not be material.

1.4 Deferred taxation

Deferred taxation is provided using the liability method to take account of all material timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

Chelsea Village Limited
Notes to the Balance Sheet
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1.5 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet under fixed assets and are depreciated over their expected useful lives. The capital element of the future payments is treated as a liability and the interest element of the rental obligations is charged to profit and loss account evenly over the period of the commitment, at a rate calculated on the outstanding balance.

Rentals payable under operating leases are charged to profit and loss account as incurred.

1.6 Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as incurred.

1.7 Site development

The company capitalises all expenditure incurred on the development of the Stamford Bridge site.

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2. Tangible fixed assets

	Land and buildings £	Plant and equipment £	Site development costs £	Total £
Cost/Valuation				
At 1 st July 1995	5,381,150	51,452	699,407	6,132,009
Additions		201,015	5,093	206,108
At 14 th March 1996	<u>£5,381,150</u>	<u>£252,467</u>	<u>£704,500</u>	<u>£6,338,117</u>
At valuation	5,300,000	-	-	5,300,000
At cost	81,150	252,467	704,500	1,038,117
	<u>£5,381,150</u>	<u>£252,467</u>	<u>£704,500</u>	<u>£6,338,117</u>
Depreciation				
At 1 st July 1995	-	10,708	-	10,708
Charge for the year	-	9,234	-	9,234
At 14 th March 1996	<u>-</u>	<u>£19,942</u>	<u>-</u>	<u>£19,942</u>
Net book value				
At 14 th March 1996	<u>£5,381,150</u>	<u>£232,525</u>	<u>£704,500</u>	<u>£6,318,175</u>
Net book value				
At 30 th June 1995	<u>£5,381,150</u>	<u>£40,744</u>	<u>£699,407</u>	<u>£6,121,301</u>

	14th March 1996 £	30th June 1995 £
Freehold land	250,000	250,000
Long leasehold building	81,150	81,150
Short leasehold land and buildings	5,050,000	5,050,000
	<u>£5,381,150</u>	<u>£5,381,150</u>

The net book value of fixed assets includes £218,406 of assets held under finance leases and hire purchase contracts.

Chelsea Village Limited
Notes to the Balance Sheet
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2. Tangible fixed assets (continued)

Comparable amounts determined in accordance with the historical cost convention:

	Freehold Land	Short Leasehold Property
	£	£
Deemed costs of acquisition	203,849	5,078,166
Accumulated depreciation	-	(879,996)
Net book value:		
At 14 th March 1996	203,849	4,198,170
At 30 th June 1995	203,849	4,402,724

The company's property investments were valued at 30th June 1995 as follows:

Freehold land	250,000
Short leasehold property	
Hotel, office and car park development	2,150,000
Residential and leisure development	2,900,000
	5,050,000

The open market value of the company's freehold land and leasehold interest in the hotel, office and car park development were valued by Chesterton International plc, Chartered Surveyors as at 30th June 1995 in the sum of £2,400,000 in accordance with the Statement of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

The open market value of the company's leasehold interest in the residential and leisure developments were valued by Rawley & Co., Surveyors, Valuers and Property Consultants as at 30th June 1995 in the sum of £2,900,000 in accordance with the Statement of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

At 14th March 1996 the Directors were of the opinion that the open market value of its freehold and leasehold interests in the site were not materially different from those stated on the Balance Sheet.

Chelsea Village Limited
Notes to the Balance Sheet
As at 14th March 1996

3. Investment in subsidiary undertakings

	Shares £	Loan Account £	Total £
Cost/Valuation			
At 1 st July 1995	8,135,510	3,026,435	11,161,945
Additions	4	-	4
Disposals	(7,227,483)	(1,593,088)	(8,820,571)
Movement	-	6,579,404	6,579,404
At 14 th March 1996	<u>908,031</u>	<u>8,012,751</u>	<u>8,920,782</u>
Provision for Diminution			
At 1 st July 1995	413	471,828	472,241
Write back	-	(471,828)	(471,828)
At 14 th March 1996	<u>413</u>	<u>-</u>	<u>413</u>
Net Book Value			
As at 14 th March 1996	<u>907,618</u>	<u>8,012,751</u>	<u>8,920,369</u>
As at 30 th June 1995	<u>8,135,097</u>	<u>2,554,607</u>	<u>10,689,704</u>

On 14th March 1996 the Company sold its investment in Chelsea Football Club Limited to its wholly owned subsidiary undertaking Chelsea Limited.

Chelsea Village Limited
Notes to the Balance Sheet
As at 14th March 1996

3. Investment in subsidiary undertakings (cont'd)

Trading		Capital and Reserves 30th June 1995	Profit/(Loss) 30th June 1995
		£	£
Chelsea Football Club Limited	(1)	7,237,483	3,395,362
Fulham Securities Limited	(2)	137,215	(32,825)
Stamford Bridge Properties Limited	(2)	(732,461)	(13,174)
Stamford Bridge Securities Limited	(2)	779,980	(1,622)
Chelsea Village Catering Limited	(3)	(8083)	(8083)
Chelsea Car Parks Limited	(4)	(1498)	(1500)
Chelsea Limited	(5)	-	-

Nature of business

- (1) Premier League Football Club
- (2) Property Lessors
- (3) Catering services
- (4) Car Park Development
- (5) Holding Company

Dormant

Chelsea Caterers Limited	-	-
Chelsea Collection Limited	-	-
Chelsea Financial Consultants Limited	-	-
Chelsea Garden Village Limited	-	-
Chelsea Leisure Services Limited	-	-
Chelsea Pensioner Limited	-	-
Chelsea Television Limited	-	-
Chelsea TV Limited	-	-
Chelsea Vintners Limited	-	-
Chelsea Worldwide Travel Limited	-	-
Eurex '96 Limited	-	-
Eurofest '96 Limited	-	-
Chelsea Village Hotel Limited	-	-
The Chelsea Style Limited	-	-

The list above comprises the subsidiary undertakings, all of which are incorporated in Great Britain and registered in England and Wales.

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Notes to the Balance Sheet
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3. Investment in subsidiary undertakings (cont'd)

The entire issued share capital of Chelsea Car Parks Limited is held by The Co-operative Bank plc. However, the voting rights attached to those shares are exercised at the direction of the company and the company directs the financial and operating policies of Chelsea Car Parks Limited.

The company controls 100% of the voting rights in all its subsidiary undertakings

	14 th March 1996 £	30 th June 1995 £
4. Debtors		
Trade debtors	7,303	21,423
Other debtors	30,629	12,917
Prepayments and accrued income	104,728	22,835
Amounts owed by subsidiary undertakings	2,137,993	-
	<u>£2,280,653</u>	<u>£57,175</u>

Included in the above are the following in respect of amounts due after one year.

Other debtors	4,583	7,976
Amounts owed by subsidiary undertakings	2,328,479	-
	<u>£2,333,062</u>	<u>£7,976</u>

Included in other debtors is an interest free loan to a Director, M. I. Russell. The loan is repayable in equal monthly instalments over a three year period from 16th February 1995. The balance outstanding on 14th March 1996 is £9,583.

Chelsea Village Limited
Notes to the Balance Sheet
As at 14th March 1996

	14 th March 1996 £	30 th June 1995 £
5. Current Asset Investments		
Unlisted Investments	<u>£135,100</u>	<u>£135,100</u>
6. Creditors - Amounts Falling Due Within One Year		
Bank loans and overdrafts (Note 9)	1,081,840	1,086,876
Trade creditors	226,843	94,006
Other taxes and social security costs	-	9,723
Obligations under finance leases (Note 9))	41,305	8,616
Accruals and deferred income	357,713	328,491
	<u>£1,707,701</u>	<u>£1,527,712</u>
7. Creditors - Amounts Falling Due After More Than One Year		
Bank Loans and Overdrafts (Note 9)	107,410	-
Amounts owed to subsidiary undertakings	300,828	5,505
Obligations under finance leases (Note 9)	153,451	32,324
	<u>£561,689</u>	<u>£37,829</u>
8. Convertible Liabilities		
Convertible zero coupon unsecured loan stock 2008 (Note 9)	<u>£5,000,000</u>	<u>£5,000,000</u>

The loan stock is zero coupon and is convertible into ordinary shares of the company at any time between 15th October 1993 and 30th October 2008 at the rate of 35p of stock for each ordinary share. Conversion is at the option of the holder.

Chelsea Village Limited
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As at 14th March 1996

	14th March 1996 £	30th June 1995 £
9. Borrowings		
The aggregate borrowings of the company amounted to:		
Bank loans and overdrafts	1,189,250	1,086,876
Convertible unsecured loan stock 2008	5,000,000	5,000,000
Obligations under finance leases	194,756	40,940
	<u>£6,384,006</u>	<u>£6,127,816</u>
Which are repayable as follows;		
Bank loans and overdrafts:		
Within one year or on demand	1,081,840	1,086,876
Within the second to fifth years	107,410	-
Obligations under finance lease:		
Within one year	41,304	8,616
Within the second to fifth years	153,452	32,324
	<u>1,384,006</u>	<u>1,127,816</u>
Convertible unsecured loan stock 2008:		
After five years	5,000,000	5,000,000
	<u>£6,384,006</u>	<u>£6,127,816</u>

The obligations under finance leases are secured by the related leased assets.

The bank loans and overdrafts are secured by fixed and floating charge over the assets and business of the company and its subsidiary undertakings

Chelsea Village Limited
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Provision For Liabilities And Charges

10. Deferred Taxation

Analysis of provision made and amount unprovided calculated at 33% (1995 33%):

	14th March 1996	14th March 1996 Not Provided	30th June 1995	30th June 1995 Not Provided
	Provided	Provided	Provided	Provided
Depreciation in advance of capital allowances	-	(268)	-	(268)
Other timing differences	-	(143)	-	(143)
Taxation losses	-	(153,804)	-	(153,804)
	<u>-</u>	<u>(154,215)</u>	<u>-</u>	<u>(154,215)</u>
Property and investment revaluations	-	2,902,951	-	2,902,951
	<u>-</u>	<u>2,748,736</u>	<u>-</u>	<u>2,748,736</u>

11. Share Capital

	Authorised	Allotted, Issued and Fully paid	
		14th March 1996	30th June 1995
		£	£
150,000,000 ordinary shares of 1p each	<u>£1,500,000</u>		
102,648,083 ordinary shares of 1p each		<u>£1,026,481</u>	<u>£1,026,481</u>

Directors interests:

K.W. Bates has an interest in 30,000,000 ordinary shares by virtue of his interests in Mayflower Securities Limited

Chelsea Village Limited
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12. Movement on Reserves and Reconciliation of Movements in Shareholders' Funds

	Share Capital £	Share Premium £	Revalu- ation Reserve £	Profit & Loss Account £	Total Share- holders' Funds £
Balance at 1 st July 1994	1,026,481	2,954,299	4,766,005	(812,837)	7,933,948
Loss attributable to shareholders				(238,401)	(238,401)
Investment revaluation			5,510,690	-	5,510,690
Deficit on property revaluations			(2,823,849)		(2,823,849)
Reduction in deemed cost of lease acquisition			58,644		58,644
Balance at 30 th June 1995	1,026,481	2,954,299	7,511,490	(1,051,238)	10,441,032
Realisation of investment revaluation	-	-	(7,227,383)	7,227,383	-
Profit for the period	-	-	-	83,376	83,376
Balance at 14 th March 1996	<u>£1,026,481</u>	<u>£2,954,299</u>	<u>£284,107</u>	<u>£6,259,521</u>	<u>£10,524,408</u>

The aggregate amount of shareholders funds are analysed as:

	14 th March 1996 £	30 th June 1995 £
Equity interests	<u>£10,524,408</u>	<u>£10,441,032</u>

Chelsea Village Limited
Notes to the Balance Sheet
As at 14th March 1996

13. Commitments and Contingent Liabilities

13.1 Commitments Under Operating Leases

At 14th March 1996 the company was committed to making the following payments during the forthcoming year in respect of non-cancellable operating leases:

	14 th March 1996		30 th June 1995	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within two and five years	-	4569	-	-
After five years	1,557,376	-	1,557,376	-
	<u>£1,557,376</u>	<u>4569</u>	<u>£1,557,376</u>	<u>-</u>

13.2 Capital Commitments

	14 th March 1996	30 th June 1995
	£	£
At 14 th March 1996 capital expenditure commitments were as follows:		
Contracted but not provided in the accounts	<u>Nil</u>	<u>Nil</u>
Authorised by the directors but not contracted for	<u>Nil</u>	<u>Nil</u>

13.3 Pension Costs

The company contributes to pension schemes providing benefits based upon contributions made. The assets of the schemes are held separately from those of the company in independently administered funds.

13.4 Contingent Liabilities

- a) The company has given fixed and floating charges over all property and assets present and future, and assigned its title and interest in respect of rents receivable under five underleases, to Stardust Investments Limited in respect of all monies due or becoming due to that company.
The sum outstanding at 14th March 1996 was £151,744.
- b) The company has guaranteed a loan to a subsidiary undertaking to a maximum of £5,000,000. The amount utilised at 14th March 1996 was £3,287,500.

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13.4 Contingent Liabilities cont'd

- c) The company has guaranteed a hire purchase liability of a subsidiary undertaking.
- d) The company has guaranteed the bank loan and overdrafts of its subsidiary undertakings. The amount covered by this guarantee at 14th March 1996 was £2,400,000.
- e) Chelsea in common with other clubs in the F.A. Premier League, was requested by the Inland Revenue to commission the preparation of a report on tax sensitive issues.

The company considers the Inland Revenues' estimated assessment which shows net tax payable of £1,166,667 has no merit and an appeal has been accepted by the Revenue.

Contingent upon the outcome, the Chelsea group may or may not face these tax liabilities arising in respect of periods ended 14th March 1996.

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